

FILED

APR 07 2015

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE REQUEST
FOR AGENCY ACTION OF RIG II,
LLC, FOR AN ORDER FORCE
POOLING THE INTERESTS OF ALL
OWNERS REFUSING TO AGREE TO
LEASE THEIR INTERESTS OR
OTHERWISE BEAR THEIR
PROPORTIONATE SHARE OF THE
COSTS OF DRILLING OPERATIONS
FOR THE PAPPADAKIS #15-24-2-1E
WELL IN THE DRILLING UNIT
ESTABLISHED BY THE ORDER IN
CAUSE NO. 139-42, COMPRISING
SECTION 24, TOWNSHIP 2 SOUTH,
RANGE 1 EAST, U.S.M., WITHIN THE
GREATER ALTAMONT-BLUEBELL
AREA, UINTAH COUNTY, UTAH, FOR
THE PRODUCTION OF OIL AND GAS
FROM THE LOWER GREEN RIVER
AND WASATCH FORMATIONS.**

**MOTION FOR ORDER TO
CONTINUE HEARING**

Docket No. 2014-44

Cause No. 139-26

RIG II, LLC (“**RIG II**”), by and through its counsel of record, moves the Board of Oil, Gas and Mining (“**Board**”), pursuant to R641-105-300 of *Utah Administrative Code* (2015), to continue this matter until the regularly scheduled hearing on June 24, 2015. The grounds for the Motion are as follows:

1. RIG II filed its Request for Agency Action (“**Request**”) on November 12, 2014, requesting the Board to differentiate the correlative rights in in the Spaced Interval in the Drilling Unit described in the above caption, to quantify those rights for proper allocation of costs for

production, to involuntarily pool those oil and gas interests not heretofore voluntarily pooled, to assess the risk compensation award, and to make other findings, as required by *Utah Code Annotated* § 40-6-6.5 (West Supp. 2014).

2. RIG II subsequently filed a Motion to Bifurcate Hearing to exclude lands owned by the State Road Commission, (Now Utah Department of Transportation) (“**UDOT Lands**”) managed by and through the Division of Fire, Forestry and State Lands (“**DFFSL**”) and lands held by the United States, as trustee, and for the Heirs and/or Devisees of Che-aga-rah, aka Henry Reeve, and of George Parvedro, allottees, of the Uintah and Ouray Reservation (“**Excluded Lands**”), and to continue consideration of the Excluded Lands and their owner’s interests to the Board’s regularly scheduled hearing on April 22, 2015. The Board granted the motion by bench ruling at the hearing.

3. The Board heard this matter at its regularly scheduled hearing on January 28, 2015; and on March 16, 2015, entered its Findings of Fact, Conclusions of Law, and Order (“**Order**”) force pooling those interests that were not excluded from the January 28, 2015 hearing.

4. In its Order the board stated that if the April hearing presented a deadline that was impracticable for RIG II to fully present evidence and legal analysis regarding how the Order should affect the Excluded Lands, a motion to continue the matter to the June hearing would be entertained.

5. Since the January 28, 2015 hearing, RIG II participated in DFFSL's March 2015 oil and gas lease sale by submitting its bid to lease UDOT's oil and gas estate underlying U.S. Highway 40 that comprises part of the Excluded Lands.

6. On March 30, 2014, DFFSL awarded those leasing rights to Anderson Energy Company who was the high bidder on the parcel.

7. With regard to the Indian Allotted lands that comprise the balance of the Excluded Lands, RIG II testified at the January 28, 2015 hearing, that the Bureau of Indian affairs had accepted in concept the terms of RIG II's lease application and was in the process of circulating the lease terms to the current Heirs and/or Devisees of Che-aga-rah, aka Henry Reeve, and of George Parvedro, allottees (the "**Heirs and Devisees**"). As of this filing, that approval process is ongoing.

8. By continuing the matter to the June 24, 2015 hearing, RIG II and Anderson Energy Company will have the opportunity to negotiate the voluntary participation of Anderson Energy Company's newly acquired interest in the Drilling Unit.

9. Furthermore, by continuing the matter, the Heirs and Devisees will have additional time in which to respond to the currently circulating lease offers and RIG II will be able to give a more full report to the Board regarding the participation of the Allotted Lands in the Drilling Unit.

10. Pursuant to a March 30, 2015 telephone conference between Steven F. Alder and RIG II's counsel, RIG II is authorized to report that the Division has no objection to the requested continuance.

11. Respectfully submitted this 7th, day of April, 2015.

LEAR & LEAR L.L.P.

By: 

Phillip Wm. Lear
Clifford B. Parkinson
Attorneys for RIG II, LLC
808 East South Temple Street
Salt Lake City, Utah 84102
Telephone: 801.538.5002
Facsimile: 801.538.5001

Petitioner's Address

RIG II, LLC
1582 West 2600 South
Woods Cross, Utah 84087-0298
Attention: Tyson Kalstrom